



THE CITY OF SAN DIEGO
REPORT TO THE CITY COUNCIL

DATE ISSUED: January 3, 2007 REPORT NO: 07-009

ATTENTION: Council President and City Council
Docket of January 9, 2007

SUBJECT: Reallocation of HUD Section 108 Loan Funds - Council District 3
Public Improvements

REFERENCE:

REQUESTED ACTION:

- Approve the reallocation of HUD Section 108 Loan Funds within Fund No. 18521 (District 3 Public Improvements Loan Fund), set forth in Report to the City Council No. _____, a copy of which is on file with the Office of the City Clerk as Document No. _____, contingent upon certification of funds availability by the City Auditor and Comptroller.
- Authorize the Mayor or his designee to enter into agreements (or any amendments thereto), as needed, for those projects approved to receive the reallocated loan funds, contingent upon certification of funds availability by the City Auditor and Comptroller.
- Authorize the City Auditor and Comptroller to appropriate, transfer, and expend the HUD Section 108 loan funds for those projects approved to receive the reallocated loan funds.
- Authorize an amendment to the Fiscal Year 2007 Capital Improvement Program Budget to reflect the approved reallocation of HUD Section 108 loan funds.
- Authorize an amendment to the Fiscal Year 2007 CDBG Action Plan to reflect the use of \$150,000 in HUD Section 108 loan funds for the Park de la Cruz Children's Play Area Project.

STAFF RECOMMENDATION:

Adopt the resolutions.

SUMMARY:

BACKGROUND: The City received a \$3,707,000 HUD 108 loan in August 2003 to fund public improvement projects in City Heights and other CDBG eligible areas in District 3. Most of the projects have been completed, several with unused funds; others are still underway and in need

of additional funds. The proposed reallocations are recommended in light of HUD requirements regarding timely expenditure of funds and upon the request of Council District 3.

DISCUSSION: The proposed actions will (1) Reallocate \$65,082 of unused loan funds to two projects, Mid Block Street Lights and North Park Mainstreet Streetscapes, that need additional funds and (2) Reallocate \$150,000 to the Park de la Cruz Children's Play Area, a project that was not included in the 2003 application. HUD has reviewed this new project and informed staff that it is eligible for HUD 108 funds. The funds for the Children's Play Area, one of two planned play areas in Park de la Cruz, will be reallocated primarily from the Euclid Avenue Revitalization Project. Because of time restrictions on the expenditure of HUD 108 funds as well as restrictions on the use of HUD 108 funds for preliminary studies such as those now needed for the Euclid Avenue Project, it is recommended that these funds be reallocated to the Park de la Cruz Children's Play Area Project, which is ready for construction and will be fully funded with these funds.

FISCAL CONSIDERATIONS:

There is no impact to the General Fund from this action. All funds are available within the District 3 Public Improvements Loan Fund (Fund No. 18521).

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

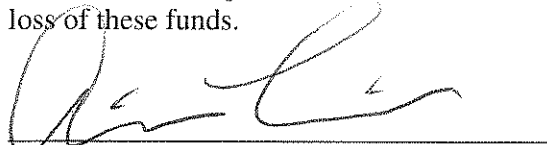
The City Council approved the City's application for a HUD 108 loan for a variety of public improvement projects in District 3 in January, 2003 (R-297555).

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

The addition of the Park de la Cruz Children's Play Area Project was noticed in the San Diego Union Tribune and posted on the City's website in accordance with citizen participation requirements. The City Heights Area Planning Committee was notified of all the proposed reallocations.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

Residents and businesses of the City Heights neighborhoods will benefit from the children's play area, additional mid-block lights and streetscape improvements. The Euclid Avenue Revitalization Project has other funds for design/development but may be further delayed by the loss of these funds.



Ernie Linares
Deputy Director
Community Services Division



Ted Martinez, Jr.
Deputy Chief Operating Officer
Neighborhood and Community Services

EXHIBIT A

SUBJECT: Reallocation of HUD Section 108 Loan Funds
Council District 3 Public Improvements

The following reallocation of HUD Section 108 loan funds is entirely within Fund No. 18521 (District 3 Public Improvements Loan Fund):

Amount	From	To
\$49,082	Streetlight Conversion CIP No. 61-201.0 JO No. 612010	Mid Block Street Lights CIP No. 61-202.0 JO No. 612020
\$15,000	Azalea Park JO No. 390860	North Park Mainstreet Streetscape Project CIP No. 39-207.0 JO No. 392070
\$1,000	Loan Issuance Costs JO No. 185211	North Park Mainstreet Streetscape Project CIP No. 39-207.0 JO No. 392070
\$149,598	Euclid Avenue Revitalization CIP No. 52-699.0 JO No. 526990	Park de la Cruz Children's Play Area CIP No. 29-684.0 JO No. 296840
\$402	Loan Issuance Costs JO No. 185211	Park de la Cruz Children's Play Area CIP No. 29-684.0 JO No. 296840